



## Problem Resolution Report

CoSD Contract no. 537863  
New Critical Milestones Six Month Period  
HP/CoSD-124



**Date:** February 14, 2014

### **Summary:**

In accordance with the provisions of the IT and Telecommunications Service Agreement dated January 24, 2006 and restated on April 5, 2012 and May 5, 2013 ("the Agreement") by and between the County of San Diego ("County") and HP Enterprise Services, LLC ("HP" or "Contractor") (hereinafter collectively referred to as "the Parties") agreement is reached on the date shown above.

### **Issue or Problem:**

Section 1.2 of Schedule 16.8, Fee Adjustments, provides that the County may designate from time to time one or more Critical Milestones "by not later than May 15, 2006, and each November 15th and May 15th of each Contract Year thereafter", "each of which shall consist of the successful performance of certain Services that the County reasonably deems important for Contractor to perform within the applicable six-month period (July 1 through December 31 and January 1 through June 30 of each year)."

The applicable six-month Critical Milestone periods as stated in the Agreement (i.e. July 1 through December 31 and January 1 through June 30 of each year), do not coincide with the Contractor's fiscal year.

### **Resolution:**

The parties wish to amend the applicable Critical Milestone six-month periods as stated in the Agreement (i.e. July 1 through December 31 and January 1 through June 30 of each year), to April 1 through September 30 and October 1 through March 31.

1. Section 1.2 of Schedule 16.8, Fee Adjustments, is replaced in its entirety with the following:

#### **1.2 Establishment of Critical Milestones**

The County in its sole discretion shall, by not later than each August 15th and February 15th of each Contract Year (i) designate (in accordance with Section 4.12 of the Agreement) one or more milestones as "Critical Milestones," each of which shall consist of the successful performance of certain Services that the County reasonably deems important for Contractor to perform within the applicable six-month period (April 1 through September 30 and October 1 through March 31 of each year), and (ii) assign a certain percentage of the Six-Month Milestone Fund to each such Critical Milestone (so that the total percentages assigned to all Critical Milestones in a particular six month period shall represent one hundred percent (100%))



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of the Six-Month Milestone Fund established for such six month period). Prior to establishing any Critical Milestones, the County agrees to discuss with Contractor any potential Critical Milestones and related questions. This obligation does not in any way limit the County's ability to establish Critical Milestones in its sole discretion.

2. In order to facilitate the transition to the revised dates, the forthcoming Critical Milestone period for the second half of CY9 will start on July 1, 2014 and will end on September 30, 2014. For this period the Six-Month Critical Milestone Fund will be limited to 50% of the amount established during the previous six month period (i.e. from January through June). The remaining 50%, together with the amount accrued during the following three months (i.e. from July through September) will be used to calculate the Six Month Critical Milestone Fund for the Critical Milestone period for the first half of CY10.

3. Starting on CY10 and on any CY thereafter, in accordance with the revised Section 1.2 of Schedule 16.8, the six-month Critical Milestone periods will be October 1 through March 31 and April 1 through September 30.

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The resolution of the issue or Problem as described in this Problem Resolution Report shall govern the Parties' actions under the Agreement until a formal amendment of the Agreement is implemented in accordance with the terms of the Agreement, at which time this Problem Resolution Report shall be deemed superseded and shall be null and void.

All other terms and conditions of the Agreement remain unchanged and the Parties agree that such terms and conditions set forth in the Agreement shall continue to apply. Unless otherwise indicated, the terms used herein shall have the same meaning as those given in the Agreement.

IN WITNESS WHEREOF, The Parties hereto, intending to be legally bound, have executed by their authorized representatives and delivered this Problem Resolution Report as of the date first written above.

COUNTY OF SAN DIEGO

HP ENTERPRISE SERVICES, LLC

By: John M. Pellegrino

By: Max Pinna

Name: John M. Pellegrino

Name: Max Pinna

Title: Director Department of Purchasing and Contracting

Title: Contracts Manager

Date: 2-24-14

Date: February 14, 2014

John M. Pellegrino